

Japan's Official Development Assistance (ODA) Policy towards China: The Role of Emotional Factors

Xianfen XU

Abstract

This article intends to explore the existence of emotional factors in the functioning of international relations. Will Japan's helpful deeds-ODA to China counteract or relieve the everlasting hatred caused by Japan's aggressive war against China? This question is examined by discussing the linkage between Japan's ODA to China and Sino-Japanese historical issues from the 1970s to the 1990s. The article concludes that a "dual appreciation argument" exists between China and Japan. A "dual obligation argument" was also generated, and behind this, a "dual gratitude and revenge argument." With ODA, there is much gratitude from China to Japan, but ODA's political influence has been worn off by historical issues. Facilitating historical reconciliation by offering ODA is too much to expect.

Keywords

Emotional factors, Japan's ODA to China, Sino-Japanese historical issues, historical reconciliation, dual appreciation argument, dual obligation argument

Introduction

It has been said that "agonizing behaviors would leave permanent animosity while helpful deeds foster goodwill and friendliness."¹ This is an eternal truth in the human world. If this saying is applied to Sino-Japanese relations, a question can be posed: Will Japan's helpful deeds-ODA to China counteract or relieve the everlasting hatred caused by Japan's aggressive war against China? In other words, is

¹ Makoto Iokibe, "Gaiko senryaku no naka no nihon no ODA [Japan's ODA as a Diplomatic Strategy]," *Kokusai mondai* [International Affairs], Vol. 517 (April 2003), p. 15.

the offer of ODA conducive to historical reconciliation between Japan and China? What role does ODA play? These questions, which refer to the existence of emotional factors in this international relationship, are discussed in this article.

Japan's ODA to China began in 1979. Up to 90% of ODA to China is in yen loans, and new project loans were announced to end in 2007. Sino-Japanese historical issues have been discussed diplomatically in the last 30 years. This article revolves around the emotional issues regarding Japan's ODA policy towards China in chronological sequence.

1. China's Renunciation of War Reparations and Japan's ODA

In 1972, China declared it would no longer seek war reparations while negotiating the normalization of Sino-Japanese relations. Yet, no government documents indicate the relevance this decision to China's asking Japan for economic assistance. At a press conference on September 30, 1972, a reporter asked Japanese Prime Minister Tanaka Kakuei, just returning from visiting China after the Sino-Japanese Communiqué, "Are you planning to repay China from now on? (referring to China's giving up on war reparations) by providing cooperation to China's domestic development?" Tanaka answered, "This is not a negotiation but a candid declaration on renouncing compensation and war reparations request, therefore Japan is going to make a deal with China. Our relation should be based on basic attitude and spirit which is valued most by oriental people."²

In fact, China did not hope for Japan's financial support at all after *renouncing* war compensation. After diplomatic relations were normalized, Japan mentioned financial assistance several times and suggested that China could take advantage of Japan's government loans. However, China firmly rejected Japan's offer.³ In 1977, an editorial in the People's Daily stressed China would not accept loans from any country.⁴ It was only in 1979 that China agreed on Japan's ODA after implementing the reform and opening policies. In other words, China never considered asking Japan for economic assistance as a reward for renouncing war indemnity.

There are several reasons why the Chinese government renounced war reparations. One is from the point of morality and justice. Premier Zhou Enlai explained

² Minoru Takeuchi, *Nichu kokou kihon bunkensyu (jyo)* [Japan and China Diplomatic Basic Document Collection 1] (Sososha Publishing House, 1993), p. 224.

³ Chae-Jin Lee, *China and Japan: New Economic Diplomacy* (Stanford: Hoover Institution Press, 1984), p. 113.

⁴ *People's Daily*, (February 1, 1977); Laura Newby, *Sino-Japanese Relations: China's Perspective* (London: Routledge, 1988), p. 39.

this reason during a meeting with the Japanese Minister of Foreign Affairs Miki Takeo on April 21, 1972, "It is true that Chinese people are the victims of Japanese militarism, but Japanese people are also actually the victims. We cannot accept the compensation because it is immoral." Afterwards, Kunihiro Masao, Miki Takeo's secretary, who also attended the meeting recalled, "We completely failed at the level of morality and justice."⁵

Historical issues were not put forward throughout the negotiation of Japan's ODA to China at the end of the 1970s. As no existing documents indicate that Japan's ODA to China is a policy aimed at solving historical issues. The following discussion of relevance can be found between historical issues and ODA focuses on from emotional issues.

2. Emotion's Influence on Policy Decisions

Japan did feel ashamed and uneasy over the aggressive war and intended to counter China's action of renouncing compensation by supporting China's economic development. This sentiment began with Japanese policymakers trying to convince domestic oppositions of the necessity of offering yen loans to China.⁶ Considering the tremendous damage to China caused by the war, political, bureaucratic, financial, and media circles generally held a common perspective that Japan should boost economic cooperation with China.⁷

At a discussion concerning the start of ODA for China, Foreign Minister Okita Saburo answered during an interview with the *Nihon Keizai Shimbun*, "Japanese Yen to China has its background and must be carried out with resolution."⁸ His comments showed Japan's attitude as positive in response to China's requests under the historical background. The Ministry of International Trade and Industry (MITI) rebutted voices within the government protesting ODA to China exceeding ODA to the Association of Southeast Asian Nations (ASEAN), "We ought to cooperate actively with China who gave up war reparations."⁹ The view of most financial heads was that "because China has given up war compensation, it is actually favorable to Japan since we can strengthen the Sino-Japanese financial

⁵ Masao Kunihiro, *Atarashi nichibei, nichu wo kangaeru* [Thoughts on New Japanese -- American and Sino-Japanese Relations] (Iwanami Booklet, 1988), No.110, p. 47.

⁶ Foreign Minister Ōkita Saburō responded in an interview with the *Asahi Shimbun* on December 1, 1979, "Some Japanese do feel obliged to repay China because it gave up war reparations," *Nihon Keizai Shimbun* (December 2, 1979), p. 4.

⁷ Greg Story, "Japan's Official Development Assistance to China: A Survey," Australia-Japan Research Centre, Pacific Economic Papers, No. 150, (Australian National University, 1987), pp. 3-11.

⁸ *Nihon Keizai Shimbun*, November 9, 1979, p. 7.

⁹ *Ibid.*, p. 7.

relationship under advantageous conditions while offering loan to China.”¹⁰ Even before normalizing diplomatic relations, people in economic circles and pro-China politicians had advocated Sino-Japanese relations. They thought people should be grateful of the manner in which China renounced war compensation and wished to establish a mature relationship with Japan, and believed Japan contribute toward improving Chinese people’s living standards and China’s industrialization.¹¹ The media reported Japan’s yen loans and war compensation in a similar way. An article in the Yomiuri Shimbun (December 4, 1979) stated:

Perhaps Japan is under moral obligation so it made payment to South Asian countries as war reparations; China went through colossal damages, nevertheless China decides to give up compensation. Therefore, the relief payment to both sides cannot be discussed in the same position. Japan’s ODA to China is actually a package of long term ODA; this special aid method is adopted as a kind of favor because of China’s letting go of the past issues and renouncement of war reparations.

¹²

During the 1980s, this sentiment played an active role in supplying a large amount of aid to China. On January 9, 1982, Foreign Minister Sakurauchi Yoshio responded in an interview with *Tokyo Shimbun*, “In consideration of the past history, as it should be, we will grant cooperation in a modest way to help China develop its economy.”¹³ On March 3, 1983, Foreign Minister Abe Shintaro mentioned at a Japan House Budget Committee meeting:

Thanks to China’s giving up compensation, the normalization of diplomatic relations between Japan and China became possible. On Japan’s side, we need to take historical course hitherto into full consideration and make introspections on this basis. It is very important that we pledge active cooperation to China’s development.

¹⁴

At the China-Japanese Summit on March 24, 1984, Chinese General Secretary Hu Yaobang expressed gratitude for Japan’s economic cooperation, and Prime

¹⁰ *Asahi Shimbun*, September 8, 1979, p. 9.

¹¹ Tsugio Ibayashi, *Zaikai sōri sokkin roku: Doko Toshio, Inayama Yoshihiro to no nanan-enkan* [Confidential Record on the Premier of Financial Circle: Seven Years with Toshio Dokō, Yoshihiro Inayama] (Shinchosha, 1993), pp. 157-158.

¹² Jin Xide, *Zhongri guanxi fujiao 30zhounian de sikao* [Sino-Japanese Relationship-30 Years after the Resumption of Diplomatic Relations] (World Affairs Press, 2002) p. 198.

¹³ *China Monthly Magazine*, No. 27 (January 1982), p. 6.

¹⁴ *Minutes of Budget Committee of the House of Representatives*, Ch. 98, No.61, (March 3, 1983), p. 4.

Minister Nakasone Yasuhiro responded in a rather interesting way: “Your appreciation makes me embarrassed. The cooperation with China is our way of reflecting our mistakes of causing China enormous pain and damage, it is a sure thing.”¹⁵

Hence, a clear fact can be known that both Chinese and Japanese leaders are aware of the linkage between giving up compensation and offering loans. This linkage has a substantial functional political decision making as neither side is willing to put their cards on the table. This is the tacit agreement referred to when Prime Minister Tanaka mentioned “... the spirit which is valued most by oriental people.”

3. ODA and Subsiding of Historical Issues

Was Japan's ODA to China relevant to the subsiding of Sino-Japanese historical issues? Sino-Japanese historical issues, for instance, the textbook event in July 1982 and the visit to the Yasukuni Shrine by Prime Minister Nakasone Yasuhiro, became diplomatic issues not long after the implementation of Japan's ODA to China. Due to the lack of documentation, it is still unclear whether these issues subsided because of Japan's ODA. Nevertheless, many scholars have pointed out that this is the case.

For example, Zhao Quansheng mentioned, “Japanese leaders guaranteed China with large amounts of loan regardless of their conflict. Although there is no direct connection between conflicts and loan, Japan shows its friendly attitude to China through government loans in order to smooth the conflict and develop a better relationship with China.”¹⁶ Some scholars have even pointed out explicitly, “at some degree, the Yen loan to China in 1982 is aiming to dispel the disharmony between the two countries Japanese Yen loan to China is indeed a helping hand in improving Sino-Japanese relations every time it deteriorates.”¹⁷

However, in view of the process by which these issues were handled, we can see that the Japanese government put forth great effort. On August 8, 1982, just after the textbook event, Hashimoto Hiroshi, Director-General of the Information and Cultural Bureau of the Ministry of Foreign Affairs, and Ōsaki Hitoshi, Director-General of the International Academic Bureau of the Ministry of Education, Culture, Sports, Science and Technology (MEXT) hurried off to Beijing to have a meeting on August 12 with Xiao Xiangqian, Asian Regional Chief of

¹⁵ Diplomatic History Museum of the Japan Foreign Affairs Ministry, *Kaijibunsho* 18-04-1029-3.

¹⁶ Zhao Quansheng, *Nichu kankei to nihon no seiji* [Sino-Japanese Relations and Japanese Politics] (Iwanami Shoten, 1999), p. 236.

¹⁷ Takashi Sekiyama, *Nichu no keizai kankei wa kou kawatta* [Changes in Sino-Japanese Economic Relations] (Koubunken Publishing House, 2008), p. 71, 77.

the Ministry of Foreign Affairs, Li Tao, Chief of the Department of Foreign Affairs and Minister of Education, and Wu Xueqian, Vice Minister of the Ministry of Foreign Affairs. On August 26, Cabinet Secretary Miyazawa Kiichi expressed a unified opinion, and on September 6 Ambassador Katori Yasue added a supplementary explanation to Wu Xueqian's remarks, after which the situation quieted down. Prime Minister Nakasone Yasuhiro responded that he understood the criticism from China over his visit to the Yasukuni Shrine in 1985. He went deeper into his explanation at a press conference in late August 1986, "I do not know that war criminals are also being worshiped and enshrined in Yasukuni Shrine It is out of question that people of other countries would consider the prime minister's visit to be an admiration of the class war criminals." Nakasone even took practical actions by deciding not to visit the shrine during the autumn routine grand festival in 1985 and on the Day of Defeat in 1986. Responding to a statement of MEXT Minister Fujio Masayuki,¹⁸ Japan's Chief Cabinet Secretary Gotōda Masaharu spoke right away, "We are deeply sorry for South Korea and China."¹⁹ Prime Minister Nakasone even had Fujio dismissed from his post.

Indeed, the subsiding of historical issues and offering of ODA do appear to be linked. Following the 1982 textbook event is Prime Minister Suzuki Zenko's first visit to China on September 27, when the two countries signed official documents regarding a 65 billion yen loan to be made to China that year. Prime Minister Nakasone announced the sum of a second loan for 470 billion when he first visited China in March 1984. Nevertheless, no documentation can prove this linkage.

4. Emotional Entanglement — "Country with the Most Debt"

An event in the 1980s indicates the linkage between ODA and the historical issues. It is obvious that both China and Japan side have their emotions entangled over this event. The remarks from Deng Xiaoping which referred to Japan as the country with the most debt triggered an intense diplomatic dispute between Japan

¹⁸ Minister of Education Fujio said, "Honoring Yasukuni Shrine is equivalent to Chinese paying respect to Confucian temple and Sun Yat-sen Mausoleum." His words were insulting to Chinese people. He also said, "The purpose of Nanking Massacre is 'eliminating resistance,' it does not deserve the criticism War means killing people, it is not slaughter according to the international law." Allen S. Whiting, translated by Okabe Tatsumi, *Chinese Eyes Japan* (Iwanami Shoten Bookstore, 2000), p. 100.

¹⁹ Official Gotōda Masaharu made the following statement: "Fujio's comments not only for no reason caused Japanese people to reflect upon the past war and suspect the resolution on peace we state clearly again and again, but also make people doubt Japan's basic diplomatic policy of maintaining and strengthening the friendly relations with its neighboring country. I am deeply sorry about it." *Nihon Keizai Shimbun* (September 9, 1986), p. 2.

and China.

Deng Xiaoping met with Yano Junya, Chairman of the New Komeito (NK), who visited China on June 4, 1987 and asked Japan to bring the Guanghua Dormitory (光華寮) problem to a satisfactory settlement. He also criticized Japan for its defense costs exceeding the 1% limit of GNP. Afterwards, Deng Xiaoping made a comment in view of Sino-Japanese relations:

In its historical perspective, Japan is supposed to do more for China's development. Frankly speaking, China is the country that Japan owes the most. China did not claim the war compensation. Japanese people place great importance on reasoning things out, therefore Japan should make more contributions to China's development. Frankly speaking, we feel discontented.²⁰

Deng indicated a cause-effect relationship: "Because Japan owes China the most Japan should make more contributions to China." This was the first time a Chinese leader made a formal statement on the logic that since China had renounced war compensation Japan owed China the most and should therefore contribute more.

Intense disputes between Japan and China occurred over these statements. Japan expressed its discontent over Deng's comment that Japan "should make more contributions" by replying, "Don't you know that we have provided great contributions with our economic cooperation?" A leader from Japan's Ministry of Foreign Affairs said in a speech on June 4,²¹ indicating that Deng's criticism was unsubstantial: "It seems like Deng Xiaoping has no idea what is happening (雲の上の人). It has become a trend that Sino-Japanese relations are really developing around economy. We hope that Director Deng would get to know (hear) more truth."²²

This comment caused intense criticism in China. On the evening of June 6, the Deputy Director of the Foreign Ministry for the Asian Region, Tang Jiaxuan, summoned the temporary Japanese ambassador in Beijing, Yushita Hiroyuki, to

²⁰ Document 137, a report on a Japan Ministry of Foreign Affairs high official's comments on Deng Xiaoping being obvious of what is going on (June 4, 1987); China Division, Asian and Oceanian Affairs Bureau, *Nichu kankei kihon shiryosyu 1970-1992* [Basic Documents on Sino-Japanese Relations 1970-1992], (Kazankai Publishing House, 1993), p. 377; Central Party Literature Research Center, *Deng Xiaoping Nianpu* [A chronicle of Deng Xiaoping's Life] (2004), pp. 1192-1193.

²¹ Prime Minister Nakasone said at a senate meeting in the morning on July 9, 1987, "The statement of the head of Foreign Affairs is actually made by pre-minister Yanagiya at an informal symposium."

²² *Asahi Shimbun* (June 5, 1987), p. 3. The report by the *Nikkei* is a slightly different, "The head of Foreign Affairs Ministry strongly criticized Deng in the evening of the 4th, 'Deng has no idea what is happening. Has the report reached the higher authorities? People get rigid once they grow old,'" *Nihon Keizai Shimbun* (June 5, June 9, 1987), p. 2.

express his discontent. China demanded that Japan explain its true intentions and take appropriate measures: "The present high official of Japan's Ministry of Foreign Affairs is so ignorant of minimum diplomatic etiquette that he openly made a vicious attack to our top leader. This is a serious matter which cannot be tolerated by the Chinese people and Chinese government. We have to protest against the Japanese government."²³ On June 7, Sun Pinghua, President of the Sino-Japanese Friendship Association, criticized the Japanese leader from the Foreign Affairs Ministry for making the remarks: "The relation of two countries is not of one begging for mercy and of one giving in charity. If the Ministry of Foreign Affairs thinks that we should keep our mouth closed because China is poor, then I have to say this is old Japanese concept."²⁴

Japan's Ministry of Foreign Affairs responded to China's criticism with more criticism. They felt that "Japan has the need to speak out."²⁵ On June 8, Fujita Kimio, Director of Asian Foreign Affairs, called the Chinese ambassador to the Foreign Ministry. Fujita explained that Japan had no intention to slander Deng and they felt sorry if any unpleasantness was caused. His remarks made some sense:

What Director Deng and some Chinese leaders spoke deviates from the actual conditions of our country and our recognition. Many Japanese citizens are surprised by China's open criticism, therefore people who sincerely hope to develop Sino-Japanese relations feel discouraged, which is truth. The current situation goes against the maintenance and development of longtime Sino-Japanese relations.²⁶

China was critical again on June 10. The spokesman for the China Foreign Affairs Ministry criticized Japan's Foreign Affairs Ministry: "The Japanese mass media was purposely and wrongly blamed, and as a result, Director Deng's words have been misinterpreted."²⁷ According to the spokesman, Director Deng politely and discreetly gave well-meaning advice aimed at problems between the two countries: "Some leader of Japan's Foreign Affairs Ministry has openly made hostile attacks to Director Deng, which not only has hurt the Chinese people's feelings but also brought about abominable impact to the relation between two countries." As a result, in Japan the Japan-China Friendship Association and the opposition party also reproached the Japanese government's way of handling the event. The argument finally came to an end when the Vice-Minister for Foreign

²³ *Daily China News* (June 15, 1987).

²⁴ China Overview Editorial Committee, *China Review* (Gyosei, 1988), p.137.

²⁵ *Asahi Shimbun* (June 9, 1987), p. 2.

²⁶ *China Review* (1988), p. 137.

²⁷ *Daily China News* (June 15, 1987).

Affairs Yanagiya Kensuke openly expressed regret and resigned on June 18.

The cause and effect of the two countries' criticism can be seen by looking at the process of their argument, which resembled a chain reaction of repeated impulses. Both countries showed resistance during their arguments. We can come to a conclusion from this chain reaction that both sides had the following opinions:

1. In China people feel that despite Japan's cruel invasion, China renounced compensation. For this, Japan should be grateful. The way Japan handled the Guanghua Dormitory problem was dissatisfactory. Therefore, some Chinese leaders had revealed their true thoughts when offended.
2. Japan feels that China should be thankful for the economic assistance Japan has offered to China year-in and year-out. This feeling was made known to the public by diplomats.
3. Japan and China both had an imaginary feeling of frustration. China was conscious of her economic disadvantage compared to Japan. The remarks of the Foreign Affairs Ministry leaders were a demonstration of Japanese paternalism. Sun Pinghua's aforementioned comments proved this. Chairman Li Xiannian also thought that some Japanese had the idea that if China requires economic aids they must refrain from criticizing Japan. Li expressed his strong discontent, "We do not need economic assistance with strings attached."²⁸ On the other hand, Japan was frustrated because they could not tell China exactly what they felt. Some leaders of Japan's Foreign Affairs Ministry justified their behavior with such statements as, "Be serious about what we advocate or oppose, otherwise, we will leave our people with an impression of being too compliant to China, or will even encourage an imposing manner of pre-war nationalism."²⁹

In November 1989, Deng Xiaoping met with Saito Eishirō, Supreme Consultant, and Kawai Ryōichi, Representative of Japan's delegation for the China Association on Economy and Trade. Deng said, "We wish Japan could search her heart and not be arrogant, while China strives to be stronger and not be self-abased."³⁰ It can be said that China viewed the remarks of the Japanese Foreign Affairs leader as an expression of arrogance that stimulated China's inferior national sense of self-esteem.

This event quieted down without conclusion. However, the chain of mutual criticism surfaced again in an emotional way during the discussion of whether to

²⁸ *Ibid.*

²⁹ *NIKKEI*, Vol. 2 (September 14, 1987).

³⁰ Central Party Literature Research Center, *Dengxiaoping nianpu* [A Chronicle of Deng Xiaoping's Life], pp. 1298-1299.

terminate ODA to China in the late 1990s.

5. Formal Linkages between Historical Issues and ODA

The Chinese government carried out two nuclear tests in 1995. After the first test on May 15, the Japanese government announced a policy to reduce its grant aid to China. After the second test on August 17, the Japanese government principally froze grant aid and launched a negative linkage of ODA measures against China.

China condemned Japan's sanctions by bringing up historical issues. After the freezing of grant aid, China's past emotions resurfaced. Chairman Jiang Zemin and other top leaders were having a seminar in memory of the 50th anniversary of victory in The War against Japan's Invasion in the Great Hall of the People when they were informed of the news.³¹

When Japan protested China's nuclear tests and warned that it would take measures concerning ODA, China's Foreign Ministry spokesman showed regret. On August 21, he said Japan should have some deep and profound reflections so the two countries could keep developing their normal relations. Nuclear tests and financial problems should not be linked together.³² Historical issues between the two countries had been used by China to restrain Japan. After Japan froze grant aid, China responded with criticism on August 29, "Instead of having a deep reflection on its invasion crime and learning its lesson in earnest, Japan deliberately exaggerated on China's nuclear tests; We have to think deeply into this ... what is Japan up to politically?"³³ From this time on, China integrated historical issues into its criticism of Japan.

Three months prior, when Kano Michihiko of Japan's New Frontier Party visited China as the leading official of foreign policy, he stated clearly that Japan might reconsider some measures of its ODA. In response, Li Shuzheng, Head of the CPC International Department stated, "Japan's financial aid to China is relevant to the historical fact that it has invaded China and China gave up war reparations."³⁴ Here again, the linkage between ODA and historical issues, especially the renouncing of compensation, were brought up.

³¹ Composed by Tianhuan, *Zhanhou zhongri guanxi wenxian ji 1971-1995* [The Literature Collection on Postwar Sino-Japanese Relations 1971-1995] (Chinese Social Science Press, 1997), p. 941.

³² *The Movement Inside and Outside of China*, No. 24 (1995).

³³ *Ibid.*

³⁴ *Asahi Shimbun* (June 27, 1995), p.7; *The Movement Inside and Outside of China*, No. 19 (1995).

Chinese top leaders continued to take a more distinct attitude on this link. Premier Li Peng said to Toyoda Shoichiro, who was the leading officer of the congressional delegation to China for the Sino-Japanese Economic Association, as well as the leader of the Federation of Economic Organization (FEO), "The invasion by Japanese militarism has brought China great damage which cannot be mentioned in the same breath with Japan's loan to China."³⁵ Here, premier Li related ODA to war damage to criticize Japan's sanctions. At a meeting with Prime Minister Murayama Tomiichi in New York on October 22, Chairman Jiang Zemin said, "China has been extremely tolerant of Japan's compensation issues while we are working on the normalization of diplomatic relations between two countries." He also mentioned the renunciation of war compensation to curb Japan's criticism.³⁶

Japan used ODA to launch sanctions against China. Meanwhile, in China a bestselling book titled, *China, You Can Say NO* was published. The book is a strong demonstration of Chinese nationalism, and its background was Japan's sanctions against China.

Chinese people's emotions reflected in this book can be summarized as follows:

1. Chinese people think Japan's ODA to China is a type of compensation.³⁷
2. Chinese people think it is despicable of Japan to use ODA to demand China stop nuclear tests, which is also the most disgusting behavior in international politics. They also hope Japan, who has brought enormous damages to China, can appropriately treat the victim – China.³⁸
3. Due to Japan's ODA sanctions against China, people regret renouncing war reparations: "If we had not given up the war reparations, China's modernization would have been expedited and people would have been better-off. Furthermore, it is justifiable that to request Japan provide reparation may actually cause them to examine their own conscience as sinners If we had not given up nor urged, would Japan still easily threaten China to freeze the loan? ... We plant a tree of tolerance which yields deformed fruits of bitterness."³⁹
4. Chinese people believe Japan's position is that terminating ODA will restrain China's development.⁴⁰

³⁵ *The Movement Inside and Outside of China*, No. 25 (1995).

³⁶ *Asahi Shimbun* (October 23, 1995), p. 2.

³⁷ Song Qiang, and Zhang Cangcang, *No to ieru chugoku* [China Can Say No], translated by Mo Bangyi (Nikkei News, 1996), pp. 123-124.

³⁸ *Ibid.*, pp. 123-124.

³⁹ *Ibid.*, pp. 195-197, p. 123.

⁴⁰ *Ibid.*, p. 123.

6. Over-expecting ODA to Facilitate Historical Reconciliation

“We need to reconsider (which actually meant lessen or terminate) offering ODA to countries which resent our visit to Yasukuni Shrine.” This statement made by a Japanese politician⁴¹ clearly indicates that from 1995 to 2005, historical issues in Sino-Japanese relations were associated with Japan’s comments about terminating ODA to China. The statement meant that Japan saw China’s response to ODA as ungrateful, hence it should be cancelled. Japan’s emotion led to the idea of terminating ODA. In April 2005, Foreign Affairs Ministers from both countries confirmed, after a business negotiation, that Japan would stop providing new project yen loans to China before 2008, hoping ODA could begin well and end well.⁴²

In contrast, Chinese leaders and the parties concerned have always been grateful.⁴³ Even when the relations between Japan and China turned sour because of Prime Minister Koizumi Junichiro’s visits to the Yasukuni Shrine, Chinese leaders expressed appreciation and thanks for Japan’s ODA. Such examples are too numerous to enumerate.

Why did Japan feel they were not appreciated by China? According to the process of how this question is put forward, the lack of appreciation for Japan’s good intentions has nothing to do with whether or not China says “thanks,” but generates from dissatisfaction over historical issues. This can be understood by comparing two Chinese leaders’ visits to Japan. In November 1998, on Chairman Jiang Zemin’s visit, the historical issues he mentioned aroused intense repulsion in Japan. This repulsion “was directly related to ODA,” with phrases like, “We need to stop the ODA to China who made no comments and expressed no appreciation.”⁴⁴ In fact, on the occasion of Jiang Zemin’s visit, China’s gratitude to Japan was written into the two countries’ joint declaration for the first time.⁴⁵

⁴¹Speech by Yoshitada Konoike, Minister of State for Special Zones for Structural Reform, *Asahi Shimbun* (September 9, 2003), p. 3.

⁴²Ministry of Foreign Affairs, “Foreign Affairs Minister Machimura Visited China (Japan and China counterparts talks), Ministry of Foreign Affairs website (April 17, 2005) at <http://www.mofa.go.jp/mofaj/kaidan/g_machimura/china05/gaisho_gai.html>

⁴³Xu Xianfen, *Nihon no taichu ODA gaiko: rieki, power, kachi no dainamizumu* [Japan’s ODA Diplomacy to China: the Dynamism of Interest, Power and Value] (Keiso Shobo, 2011).

⁴⁴Makoto Iokibe, “Gaiko senryaku no naka no nihon no ODA [Japan’s ODA as a Diplomatic Strategy],” *Kokusai mondai* [International Affairs], Vol. 517 (April 2003), p. 2.

⁴⁵Chairman Jiang Zemin issued a joint declaration on building a friendly and cooperative

This is in contrast to Premier Zhu Rongji's visit in October 2000, years after the previous visit, which is hailed as having helped improve the worsening atmosphere between the countries. Two reasons for the positive impact of this visit are:

1. When Prime Minister Mori Yoshiro wished China would have more publicity on Japan's economic assistance, Premier Zhu emphasized that the "Yen Loan, free financial aid and technical cooperation have played important roles in the modernization of China and are highly praised. We want thank the Japanese government and Japanese people." He also said, "So far we haven't done enough promotion, we need to work on that."⁴⁶
2. Premier Zhou intentionally avoided historical issues and literally played the Erhu [Chinese stringed instrument] in Japan's NHK hall to make Japanese people feel more close, showing his attitude of "no-comment on historical issues."

Comparing these visits, Japan's emotions can be described as follows: If China were grateful for Japan's ODA, it would not bring up historical issues so as to show consideration for Japan, lest China is not grateful for Japan or at least not so much. Therefore, Japan should stop its ODA to China.

In the first half of the 2000s, Koizumi Junichiro was Prime Minister of Japan. During this period, Sino-Japanese relations deteriorated due to Koizumi's visits to the Yasukuni Shrine.⁴⁷ The trusting relationships between Chinese and Japanese leaders collapsed, especially after his third and fourth visits.⁴⁸

After this trust was lost, relations worsened. Koizumi handled the situation with provocative diplomacy.⁴⁹ Under these circumstances, Japan's ODA became a source of conflict instead of a tool to improve relations. The media frequently reported that China did not show enough gratitude for ODA. Meanwhile, the Japanese government also started demanding China to enhance publicity about ODA. This demand was brought up explicitly for the first time in a summit talk between Japanese Prime Minister Mori Yoshiro and Chinese Premier Zhu Rongji. In addition, there are examples of government officials being directly involved in the implementation of financial aid complaining and even criticizing China for

relation dedicated to peace and development between Japan and China, "Japan's side agrees that a stable, open and developing China is of great importance to the peace and development of Asian-Pacific region and also of the world. Japan will keep cooperating and supporting China on its economic development. China thanks Japan for all the economic operations so far."

⁴⁶ *Asahi Shimbun* (October 9, 2000), p. 3.

⁴⁷ Six times total: August 13, 2001, April 21, 2002, January 14, 2003, January 1, 2004, October 17, 2005, and August 15, 2006.

⁴⁸ Political Department of the *Yomiuri Shimbun*, *Gaiko wo kenka ni shita otoko* [The Man Who Fights as a Diplomatic Solution] (Shinchosha Publishing House, 2006).

⁴⁹ *Ibid.*, pp. 259-260.

their way of publicizing ODA. For example, Sugimoto Nobuyuki, Japan's General Consul in Shanghai, complained in his memoirs about the location of an aid program monument and asked China to change it. He also expressed his strong discontent that some of his Japanese staff members were treated differently by the Chinese central government administrative officers at the completion ceremony of a regional aid program.⁵⁰ On March 17, 2005, Prime Minister Koizumi asserted at a press conference that "China is not one of the countries that candidly appreciates ODA,"⁵¹ which meant that the emotionalization of Sino-Japanese relations had reached its climax.

During the Koizumi period, every time historical issues started to protrude, there would be an upsurge of talk about ODA's termination. Expectations to reach historical reconciliation with China could clearly be sensed in Japan. However, when these expectations were not fulfilled, people became anxious. News reports mentioning that "ODA's effect can barely be seen from events such as how Chinese people reacted in regards to Koizumi Junichiro visiting the Yasukuni Shrine and how the problem of those refugees at the Shenyang consulate was handled," and some politicians seeking to "reconsider offering ODA to countries which are not happy at visiting Yasukuni Shrine" reflect this sentiment.

Although Chinese leaders and parties concerned continuously expressed their appreciation of Japan's financial assistance, Japan aimed to stop ODA because Chinese people were not grateful. The reason Japan thought China was not grateful was in China's raising of historical issues (i.e. Chinese protests against Koizumi's visits to the Yasukuni Shrine). Japan's logic was that since China is going to raise historical questions, China must not be grateful of Japan's ODA; in that case, Japan needs to terminate it. On the other hand, China should not have mentioned any historical issues since it had accepted Japan's ODA. This logic is based on an unrealistic expectation that ODA can prevent historical issues from being brought up.

Conclusion

A "dual appreciation argument" exists between China and Japan surrounding historical issues and its relation to ODA. China renounced Japan's war reparations in 1972 when Sino-Japanese relations were normalized. China's tolerance on historical issues formed a pair relation: "Japan thanks and China is thanked." On the other hand, after 1979, Japan began to provide a large amount of financial assistance to China. Its magnanimity formed another relation pair, "China thanks and Japan

⁵⁰ Nobuyuki Sugimoto, *Daichi no houkou* [Roar of the Earth] (PHP Research Center, 2006), p. 127.

⁵¹ *Nihon Keizai Shimbun* (March 18, 2005), p. 2.

is thanked.” The coexistence of these two relations generated a “dual obligation argument.”

Behind this argument is a “dual gratitude and revenge argument.” China renounced war compensation even though it was brutally invaded by Japan, thereby “conferring benefit” to Japan. On the other hand, Japan has been generously offering ODA to China for almost 30 years, hence Japan “conferred benefit” to China. Both countries expect “payback” after “mutual benefit.” Once their expectation of being paid back failed, a hearty dislike to each other’s action of “returning ingratitude for kindness” would burst out.⁵²

Between Japan and China, the emotions of “dual appreciation” interlock and entangle, which could “easily generate a feeling of reciprocal blame similar to one side being ungrateful and treacherous while the other side betraying and turning to a traitor.”⁵³ The first half of 2000s was a time when the chain reaction of the two countries’ emotional resistance to each other was distorted more and more. Returning to this article’s research questions, it can be concluded that there is much gratitude from China to Japan brought by ODA. However, laying all hopes of facilitating historical reconciliation on the offering of ODA is too much to expect.

Numbers of research and comments have spoken approvingly of the great contribution ODA has made on China’s economic development. Both Chinese and Japanese governments mutually acknowledge this fact. Most importantly, for China, there is always “an awareness that we need to be grateful.” On many occasions, when Chinese leaders and parties concerned were brought into contact with Japan’s ODA, or when they were “asked to express their gratitude,” or at the summit talk when historical issues caused unpleasantness, or when the Chinese premier gave a speech at the Japanese Diet during his visit to Japan, gratitude was exchanged again and again. Even ordinary people who have a critical attitude toward ODA would not deny that “we ought to thank Japan” when they express their opinions online.

We can see the phenomenon that the appreciation between China and Japan brought forth by ODA has been neutralized by the resentment caused by historical issues.⁵⁴ We can also say that ODA’s political influence has been worn off by

⁵² Hiroaki Yokoyama, *Hannichi to hanchu* [Anti-Japan and Anti-China] (Shueisha Publishing House), p. 92.

⁵³ Foreign Affairs Japan, *Foreign Affairs Kessaku sen 1922-1999* (ge) [Foreign Affairs Masterpiece 1922-1999 Volume 2] (Asahi Shimbun Press, 2001), p. 12.

⁵⁴ Even ordinary people’s appreciation to ODA was distorted because of the involvement of historical issues. For example, at an elementary school’s completion ceremony sponsored by Japan’s NGO-Free Financial Aid, the principal made a speech on the school’s construction process, saying, “We needed to thank Japan for its aid.” After that, he said, “We had to hold back our gratitude because Prime Minister Junichiro Koizumi visited Yasukuni Shrine the day before.” Zhou Hong, Zhang Jun, Zhang Min. *Waiyuan zai zhongguo* [Foreign Aid in China] (Social Sciences

historical issues.⁵⁵ The hope that friendly emotions brought forth by offering economic aid could help with the heavy task of achieving historical reconciliation is very slim. After all, historical reconciliation is inherently a political subject which must be studied through a process of investigating facts, memorizing, apologizing, compensating and taking of responsibilities.⁵⁶ In the early 2000s, the attempt to change the heightened atmosphere of mutual revulsion and resistance between China and Japan through ODA therefore seems very feeble.

In spite of this, if a heart-to-heart understanding is important for historical reconciliation, ODA and its good intentions have created gratitude between the two countries. This should still be helpful in the process of historical reconciliation.

References

- China Division, Asian and Oceanian Affairs Bureau, *Nitchu kankei kihon siryosyu 1970-1992* [Basic Documents on Sino-Japanese Relations 1970-1992] (Kazankai Publishing House, 1993).
- China Overview Editorial Committee, *China Review* (Gyosei, 1988).
- Diplomatic History Museum of the Japan Foreign Affairs Ministry, *Kaijibunsyo* 16-04-589, 16-04-595, 18-04-10-05, 18-04-10-29.
- Feng, Shaokui, "Japanese Aid to China: A Comparison of ODA from Japan and Europe," in David Arase, ed., *Japan's Foreign Aid: Old Continuities and New Directions* (Routledge, 2005).
- Foreign Affairs Japan, *Foreign affairs kessaku sen 1922-1999* (shita) [Foreign Affairs Masterpiece 1922-1999, Volume 2] (Asahi Shimbun Press, 2001).
- Funabashi, Yoichi, *Rekishi wakai no tabi: tairitsu no kako kara kyousei no mirai e* [A Journey to Historical Reconciliation: From Controversial Past and Mutualistic Future] (Asahi News Service, 2004).
- Ibayashi, Tsugio, *Zaikai souri sokkin roku: Doko Toshio, Inayama Yoshihiro to no nananenkan* [Confidential Record on the Premier of Financial Circle: Seven Years with Toshio Doko, Yoshihiro Inayama] (New Tide Press, 1993).
- Iokibe, Makoto, "Gaiko senryaku no naka no nihon no ODA" [Japan's ODA as a Diplomatic Strategy], *Kokusai mondai* [International Affairs], Vol. 517 (April

Academic Press (China), 2007, p. 416.

⁵⁵ Shaokui Feng, "Japanese Aid to China: A Comparison of ODA from Japan and Europe," in David Arase, David, ed., *Japan's Foreign Aid: Old Continuities and New Directions* (Routledge, 2005), p. 213.

⁵⁶ Yoichi Funabashi, *Rekishi wakai no tabi: tairitsu no kako kara kyousei no mirai e* [A Journey to Historical Reconciliation: From Controversial Past and Mutualistic Future] (Asahi News Service, 2004), pp. 334-335.

- 2003) pp. 2-20.
- Jin, Xide, *Zhongri guanxi 30 zhounian de sikao* [Sino-Japanese Relationship-30 Years after the Resumption of Diplomatic Relations] (World Affairs Press, 2002).
- Kunihiro, Masao, *Atarashi nichibei, nichu wo kangaeru* [Thoughts on New Japanese-American and Sino-Japanese Relations] (Iwanami Booklet, 1988).
- Lee, Chae-Jin, *China and Japan: New Economic Diplomacy* (Stanford: Hoover Institution Press, 1984).
- Minutes of the Budget Committee of the House of Representatives*, Ch. 98, No. 61, March 3, 1983.
- Newby, Laura, *Sino-Japanese Relations: China's Perspective* (London: Routledge, 1988).
- Sekiyama, Takashi, *Nichu no keizai kankei wa kou kawatta* [Changes in Sino-Japanese Economic Relations] (Koubunken Publishing House, 2008).
- Song, Qiang, and Cangcang Zhang, (translated by Mo Bangfu), *No to ieru chugoku* [China Can Say No] (Nikkei News, 1996).
- Story, Greg, "Japan's Official Development Assistance to China: A Survey," Australia-Japan Research Centre, *Pacific Economic Papers*, No. 150 (Australian National University, 1987).
- Sugimoto, Nobuyuki, *Daichi no houkou* [Roar of the Earth] (PHP Research Center, 2006).
- Takeuchi, Minoru, *Nitchu kokkou kihon bunkensyu (jo)* [Japan and China Diplomatic Basic Document Collection], Volume 1 (Sososha Publishing House, 1993).
- Tian, Huan, *Zhanhou zhongri quanxi wenxianji* [The Literature Collection on Postwar Sino-Japanese Relations 1971-1995] (Chinese Social Science Press, 1997).
- Whiting, Allen S., (translated by Okabe Tatsumi), *Chugokujin no nihon kan* [China Eyes Japan] (Iwanami Shoten Bookstore, 2000).
- Xu, Xianfen, *Nihon no taichu ODA gaiko: rieki, power, kachi no dainamizumu* [Japan's ODA Diplomacy to China: The Dynamism of Interest, Power and Value] (Keiso Shobo, 2011).
- Yokoyama, Hiroaki, *Hannichi to hanchu* [Anti-Japan and Anti-China] (Shueisha Publishing House, 2005).
- Political Department of the Yomiuri Shimbun, *Gaiko wo kenka ni shita otoko* [The Man Who Fights as a Diplomatic Solution] (Shinchosha Publishing House, 2006).
- Zhao, Quansheng, *Nitchu kankei to nihon no seiji* [Sino-Japanese Relations and Japanese Politics] (Iwanami Shoten, 1999).

Zhonggong Zhongyang Wenxian Yanjiushi (Central Party Literature Research Center), *Dengxiaoping Nianpu* [A Chronicle of Deng Xiaoping's Life], 2004.
Zhou, Hong, Jun Zhang, and Min Zhang, *Waiyuan zai Zhangguo* [Foreign Aid in China] (Social Sciences Academic Press, 2007).

About the Author

Xianfen Xu graduated from Nankai University in China with a Ph.D. in History in 1999 and from Waseda University in Japan with a Ph.D. in Politics in 2009. She is now a Professor at East China Normal University. She was a Research Associate at the School of Political Science and Economics (2006-2008) and a Lecturer at the Waseda Institute of Contemporary Chinese Studies at Waseda University (2008-2012). Her research interests include contemporary Sino-Japanese relations and Asian international relations. Her major publications are: *Nihon No Taichu ODA Gaikou* [Japan's ODA Diplomacy to China: The Dynamism of Interest, Power and Value] (Keiso Shobo, 2011), and *Higashi Ajia Ni Okeru Futatsu No Sengo* [Regional Order in East Asia after World War II and the Cold War] (Co-edited, Kokusai Shoin, 2012).

Address: 500 Dong Chuan Road, Minhang District, Shanghai 200241, P.R. China

Email: xu.xianfen@gmail.com